



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN FARGO-MOORHEAD RADIO ACQUISITION

Five stations to be divested to Triad Broadcasting, a new market entrant

Washington, D.C. -- The Department of Justice announced today that James D. Ingstad and Thomas E. Ingstad, who control various radio business entities, agreed to divest five stations to Triad Broadcasting after the Department expressed concern that the Ingstad's proposed acquisition of six radio stations from KFGO Inc. would likely have increased concentration and lessened competition for radio advertising in the Fargo, North Dakota-Moorhead, Minnesota market.

The Ingstads proposed to acquire six radio stations--KFGO-AM/FM, KPHT-FM, KFGX-FM, and KVOX-AM/FM, from KFGO Inc.--in the Fargo-Moorhead radio market. The Ingstads currently own five radio stations--KQWB-AM/FM, KPFX-FM, KLTA-FM, and WDAY-FM--in the market. Had the deal gone through as initially proposed, the Ingstads would have controlled nearly 93 percent of advertising revenue and would have operated 11 of the top 14 stations in the Fargo-Moorhead radio market. This divestiture ensures that there is no lessening of competition in this market.

Under the terms of the divestiture agreement, the Ingstads will retain ownership of KFGO-AM/FM, KVOX-AM, KFGX-FM, KPHT-FM and WDAY-FM, while Triad will own KQWB-AM/FM, KPFX-FM, KLTA-FM, and KVOX-FM.

“The sale of these five stations will ensure that the consumers and businesses who buy advertising in the Fargo-Moorhead market will continue to have the benefits of competition, including lower prices and better services,” said Joel I. Klein, Assistant Attorney General in charge of the Department’s Antitrust Division. “These proposed divestitures resolve the Department’s antitrust concerns.”

Fargo-Moorhead is ranked by BIA as the 209th largest radio advertising market, with 1998 revenues of approximately \$12 million. It has 10 FM and four AM radio stations.

James and Thomas Ingstad’s broadcasting interests, based respectively in Fargo and Minnetonka, Minnesota, consist of 25 stations in five markets. Their 1998 net revenue from this market was approximately \$4.4 million and their overall revenues for 1998 was in excess of \$16 million.

KFGO Inc., based in Fargo, owns eight stations in two markets. Its 1998 revenue from this market was approximately \$6.6 million and its overall revenues were approximately \$8 million.

Triad is based in Monterey, California and is a new entrant into the radio industry. Following consummation of this transaction, Triad will own 15 stations in three markets.

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